

3Twelve Total Bond™



The First Strategic,
Indexed, Equally-
Weighted Fixed Income
Strategy

INVESTORS GUIDE



Introducing 3Twelve Total Bond

“People continue to chase income when they should be looking at total returns.”
The Wall Street Journal

A TOTAL BOND PORTFOLIO

3Twelve Total Bond is an equally weighted, indexed strategy that invests in each major taxable bond category.

The strategy, which seeks total return from income and capital appreciation, is for advisors and investors looking to build a well-diversified fixed income portfolio.

3Twelve uses the 12 major taxable bond asset classes in an effort to enhance performance and reduce risk. We believe that a diversified portfolio of short to intermediate duration bonds should

be a staple in investors' portfolios – and in greater percentages as the population ages.

Additionally, rising interest rates may be nothing to fear with 3Twelve. From 1980 through 1999 the 10-

Year Treasury bond has risen at least 2% five times. In each period, the 3Twelve strategy (as measured by an equal-weighting of Governments, Mortgages, and Corporates--the core of 3Twelve) outperformed both 7-10 Year and 30-Year Treasuries.



The Fed Funds rate rose 4.25% from 11/30/03 to 7/31/06. During this period the 3Twelve Total Bond model (not an investment) outperformed traditional 30-year US Treasuries, 7-10-year US Treasuries and the Barclays US and Global Aggregate Bond Index. Past performance nor guarantee of future returns.

3 Reasons for 3Twelve Total Bond

87% of bond investors reinvest their dividends
ICI Fact Book 2019

INNOVATION

3Twelve is a first. We are not aware of any fully diversified, equally-weighted, index-based, bond strategies besides 3Twelve.

Among the 400+ fixed income ETFs, for example, there is not one U.S. based ETF that mirrors the Bloomberg Barclays Global Aggregate Bond index-- an index closest to 3Twelve.

PERFORMANCE

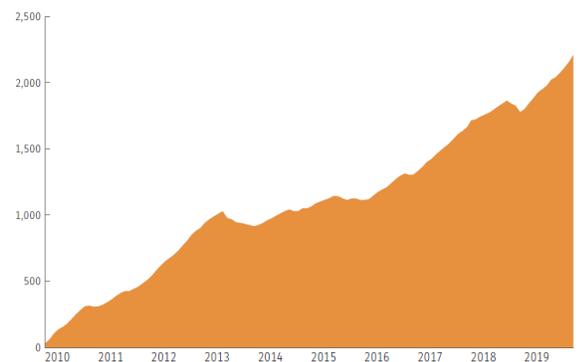
The back-tested performance of 3Twelve has been competitive. Why is this? We believe that when you equally-weight, overlooked assets have a chance to make a bigger contribution to returns (See page 5 for dispersion of returns.)

3Twelve Total Bond is not a "yield chaser." Yield chasing can be dangerous when investors replace reliable bond income with dividends from stocks, Master Limited Partnerships (MLPs), REITS, and other riskier assets.

DEMAND

Demand in the investment industry is measured by inflows. The world and multi-sector bond categories (where 3Twelve fits) were the fastest growing taxable bond fund category for the ten years ended 12/31/2019.

Cumulative flows to bond mutual funds, billions of dollars, monthly
ICI Factbook 2020

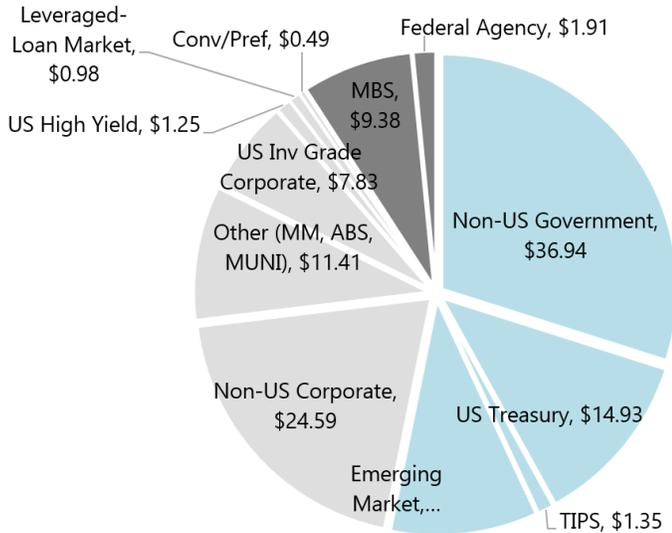


3Twelve Total Bond Map

The twelve major asset categories in the global bond universe are the model for the equally-weighted 3Twelve Total Bond. Below left are the total assets, in trillions, in each category.

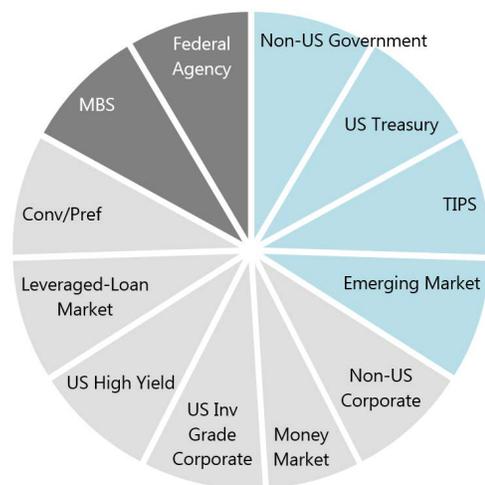
BEFORE EQUAL WEIGHTING

The Global Bond Universe



AFTER EQUAL WEIGHTING

3Twelve Total Bond



Primary sources: Data compiled by Andy Martin, from Bank for International Settlements; Fitch Ratings, Inc.; Investment Company Institute; S&P Capital IQ; S&P Dow Jones Indices; Securities Industry and Financial Markets Association; and the U.S. Department of the Treasury, Bureau of the Fiscal Service.

A Value Added Total Bond Portfolio

99% of long bond funds failed to clear the bar over the past 10 years
Standard & Poor's SPIVA Report 12/31/19

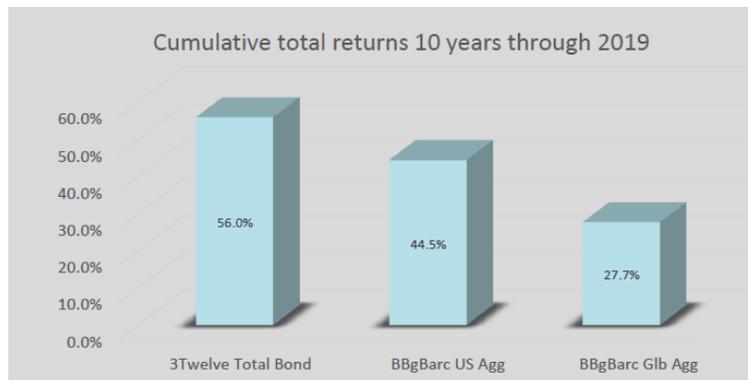
WHY A TOTAL BOND PORTFOLIO?

The industry has resisted creating a diversified equally-weighted global bond strategy, in part, because bonds are perceived to have lower dispersions of returns than stocks. This is not true. There was significant dispersion of returns within the 12 major taxable fixed-income categories in 2019. This has consistently been the case.

Bond Dispersion of Returns for Year Ended 2019

Federal Agency 5.89%	Conv/Pref 23.15%	US Inv Grade Corp 13.80%
Leveraged-Loan 10.65%	Emer Mkt 16.09%	Non-US Corp 9.88%
Cash 2.22%	US High Yield 14.32%	Non-US Govt 5.04%

We believe adding each of the 12 major assets to the portfolio and equally-weighting may be the reason why 3Twelve has outperformed industry benchmarks.



Past performance is no guarantee of future results. Investors cannot invest in an index. Indexes for year ended 2019, and for 10-years ended 2019: BBgBarc Short Treasury 1-3 Mon TR, BBgBarc US Agency TR, BBgBarc GNMA TR, BBgBarc US Treasury 7-10 Yr TR, ICE BofAML All US Convertible TR, S&P/LSTA U.S. Leveraged Loan 100 TR, BBgBarc Global Treasury Ex US TR, BBgBarc US Treasury US TIPS TR, BBgBarc US Corporate High Yield TR, BBgBarc US Credit TR, JPM EMBI Global Core TR, S&P International Corporate Bond TR. 10-years returns are an equal-weight of each index with annual rebalance. Source Data: Morningstar, Inc.

Bonds, not stocks: 3Twelve Total Bond

A FOCUSED STRATEGY

3Twelve Total Bond may invest in V_{ip} bond funds, money market funds and bond ETFs.

Not stocks.

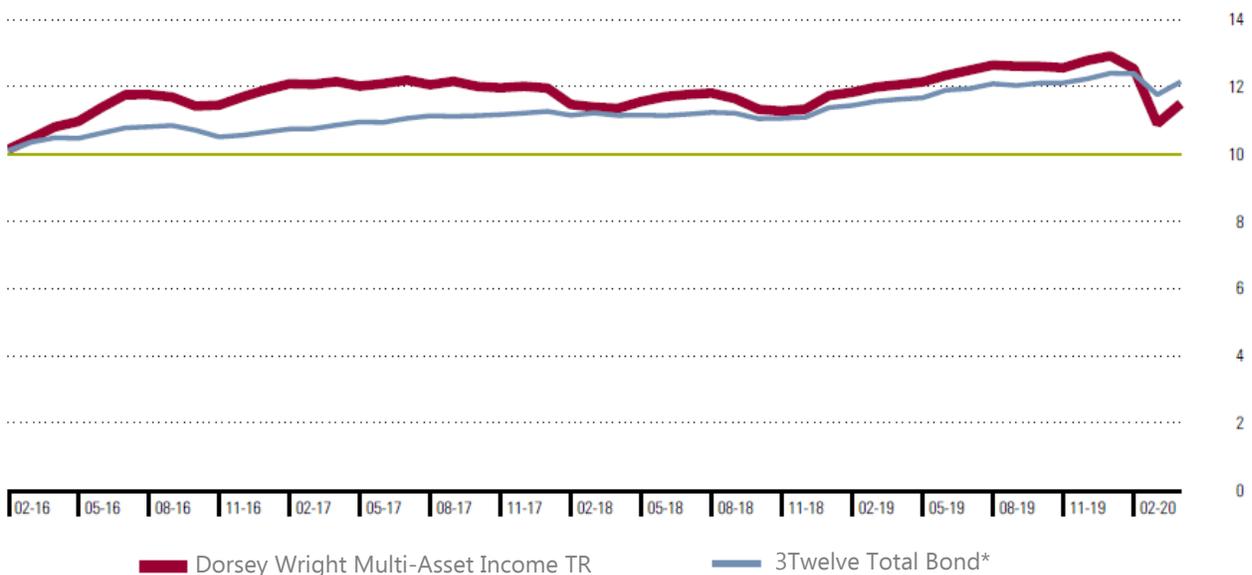
Bond investors are the most conservative investors. They have low risk tolerance, and they consider large losses to be unacceptable.

Morningstar, Inc. wrote, *Bonds are favored by investors seeking current income and safety of principal.*

We recognize this and have attempted to build what we believe is the first diversified, equally-weighted, indexed strategy that invests only in bonds.

Below, is a comparison of 3Twelve Total Bond with a leading multi-asset income index that includes stocks and bonds. Note that the multi-asset index gave up all of its returns over 4 years, in 2 months, and underperformed 3Twelve Total Bond overall.

We believe this is too much risk for conservative investors.



*Past performance is no guarantee of future results. Investors cannot invest in an index. 2-02-2016 to 4-30-2020: 3Twelve Total Bond, custom benchmark: BBgBarc Short Treasury 1-3 Mon TR, BBgBarc US Agency TR, BBgBarc GNMA TR, BBgBarc US Treasury 7-10 Yr TR, ICE BofAML All US Convertible TR, S&P/LSTA U.S. Leveraged Loan 100 TR, BBgBarc Global Treasury Ex US TR, BBgBarc US Treasury US TIPS TR, BBgBarc US Corporate High Yield TR, BBgBarc US Credit TR, JPM EMBI Global Core TR, S&P International Corporate Bond TR. Equal-weight of each index. Source Data: Morningstar, Inc.

DISCLOSURE

7Twelve Advisors, LLC ("7Twelve") is a registered investment advisor with the U.S. Securities and Exchange Commission. The information is for educational purposes only and is not to be considered investment advice nor a recommendation of any fund, product or investment. Information is obtained from third-party sources which are believed to be reliable, but have not been independently verified.

As with all investment strategies, there is the risk that you could lose money. The strategy is not intended to be a complete investment program. The value of the strategy's investments in bonds and other fixed income securities will fluctuate with changes in interest rates. Security issuers might not make payments on debt securities resulting in losses.

Foreign investing involves risks not typically associated with U.S. investments, including adverse fluctuations in foreign currency values, political, social and economic developments, less liquidity, greater volatility, less developed or less efficient trading markets, political instability and differing auditing and legal standards. Countries with emerging markets also may have relatively unstable governments, social and legal systems that do not protect shareholders, economies based on only a few industries, and securities markets that trade a small number of issues. Lower-quality bonds and other debt securities, known as "high yield" or "junk" bonds present greater risk than bonds of higher quality including an increased risk of default. An economic downturn or period of rising interest rates could adversely affect the market for these bonds and reduce the ability to sell its bonds. The lack of a liquid market for these bonds could decrease the strategy's value.

Increases in real interest rates can cause the price of inflation-protected debt securities to decrease. Interest payments on inflation-protected debt securities can be unpredictable. The cost of investing in the strategy may be higher than the cost of investing directly in stocks and bonds.

3Twelve Total Bond is back-tested by equal-weighting Twelve underlying indexes, funds, or ETFs which represent the asset classes. In as much as TIPS were first traded as a security in 1998 (first full year), the only way one can model the strategy longer term is to compare with a "3 Asset" strategy which is composed of government, corporate, and mortgage backed bonds, equal-weighted. There has been a high correlation between the returns of the 3Twelve strategy and the 3 asset strategy, but there is no guarantee that this will continue. Indexes are not investable.

Past performance is no guarantee of future returns.



7Twelve Advisors, LLC, founded in 2008, is an institutional investment management firm and Registered Investment Advisor (RIA).

Andy Martin, co-founder, president, and portfolio manager of 7Twelve Advisors, LLC, created the 3Twelve Total Bond strategy. Martin is the author of *Dollarlogic: A Six-Day Plan to Achieving Higher Returns by Conquering Risk*, (foreword by Arthur B Laffer, Ph.D.) He earned a BBA (Economics) from Belmont University and an MLAS from Vanderbilt University. Martin is a member of the Investment Management Consultants Association, and the ICI Small Funds Committee.